

Pacific Islands, and (2) the word 'Territorial' shall reflect such inclusion."

SEC. 6. The amendments made by this Act shall take effect on the first day of the third month which begins more than ten days after the date of enactment of this Act.

Approved August 8, 1953.

Effective date.

Public Law 239

CHAPTER 393

AN ACT

To permit members of the uniformed services to elect certain contingency options, and for other purposes.

August 8, 1953
[H. R. 5304]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniformed Services Contingency Option Act of 1953".

SEC. 2. As used in this Act—

Uniformed Services Contingency Option Act of 1953.
Definitions.

(a) The term "uniformed services" means the Army of the United States, Navy, United States Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, including all components and members thereof.

(b) The term "member" means a commissioned officer, commissioned warrant officer, warrant officer, nurse, flight officer, or a person in an enlisted grade (including an aviation cadet), of any of the uniformed services and a person entitled to retainer pay in the Fleet Reserve or Fleet Marine Corps Reserve with credit for sixteen or more years of naval service.

(c) The term "active member" means a member on the active list of a regular or reserve component of a uniformed service or member of a reserve component of a uniformed service, who has completed twenty satisfactory years in his uniformed service, as defined in section 302 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948.

(d) The term "retired member" means a member or former member of a uniformed service, who is or has been awarded retired, retirement, or retainer pay or equivalent pay as a result of service in one of the uniformed services.

(e) The term "widow" includes a widower and refers only to the spouse at the date of retirement of an active member or to the spouse at the effective date of this Act in the case of a retired member at the effective date of this Act.

(f) The term "child" means a legitimate child, a stepchild in fact dependent upon the member for support, or a legally adopted child, who is under eighteen years of age and unmarried, or a child over eighteen years of age and unmarried who is incapable of self-support because of being mentally defective or physically incapacitated if that condition existed prior to reaching age eighteen and refers only to an active member's child who was born and is living at the date of retirement of the active member or to a retired member's child who was born and is living at the effective date of this Act in the case of a retired member at the effective date of the Act.

(g) The term "retired pay" includes retirement pay, equivalent pay, and retainer pay.

(h) The term "department concerned" means (A) the Department of the Army with respect to the Army, (B) the Department of the Navy with respect to the Navy and Marine Corps, (C) the Department of the Air Force with respect to the Air Force, (D) the Treasury Department with respect to the Coast Guard, (E) the Department

62 Stat. 1087.
10 USC 1036a.

of Commerce with respect to the Coast and Geodetic Survey, and (F) the Department of Health, Education, and Welfare with respect to the Public Health Service.

Survivor's annuity, election.

SEC. 3. (a) An active member may elect, prior to the completion of eighteen years of service which is creditable in the computation of active-duty pay in the uniformed service of which he is a member, to receive a reduced amount of any retired pay which may be awarded him as the result of service in his uniformed service in order to provide one or more of the annuities specified in section 4, payable after his death in a retired status to his widow, child, or children, if such widow, child, or children are living at the date of his retirement.

Physical disability.

Where the active member is awarded retired pay by his uniformed service for physical disability prior to the completion of the eighteen years of service, the election may be made at the time of retirement. An active member who has heretofore completed the eighteen years of service may make this election within one hundred and eighty days after the effective date of this Act. An active member who, as a result of or in connection with military or naval operations, is in a status of missing, missing in action, interned in a neutral country, captured by a hostile force, or beleaguered or besieged, and because of that status is unable to make the election prior to the completion of the eighteen years of service, or an active member who is in that status on the effective date of this Act and has theretofore completed the eighteen years of service, may make the election within six months of his return to the jurisdiction of his uniformed service. A person who is a former member on the effective date of the Act and who is thereafter awarded retired pay by a uniformed service may make the election at the time he is awarded that pay. The terms of the election may be modified or revoked by a member at any time prior to his retirement but any modification or revocation so made shall not be effective if he retires within five years after the date it is made. Any member who revokes an election shall not thereafter be permitted to withdraw or modify his revocation and after it becomes effective, he shall not be permitted to be covered in any way by this Act.

Missing status.

Revocation, etc.

Retired members.

(b) A retired member who has heretofore been awarded retired pay by a uniformed service may, within one hundred and eighty days after the effective date of this Act, elect to receive a reduced amount of that retired pay in order to provide one or more of the annuities specified in section 4, payable after his death to his widow, child, or children. An election so made shall thereafter be irrevocable.

Mental incompetency.

(c) Whenever an active member, former member, or retired member is determined to be mentally incompetent by medical officers of the service concerned or of the Veterans' Administration, or is adjudged mentally incompetent by a court of competent jurisdiction, and because of such mental incompetency is incapable of making any election provided in this section within the time limitations specified therein, the head of the department concerned may make the appropriate election provided for in this section on behalf of such member if so requested by the spouse or if there be no spouse by the child or children of such member. If such member is subsequently determined to be mentally competent by medical officers of the Veterans' Administration, or where appropriate is subsequently adjudged mentally competent by a court of competent jurisdiction, he may, within one hundred and eighty days of such determination or judgment, modify, or terminate the election made on his behalf. Deductions theretofore made shall not be refunded.

Types of annuities.

SEC. 4. (a) Under the conditions set forth in section 3, an active or retired member may elect one or more of the following annuities,

payable under this Act, in such amount, expressed as a percentage of the reduced amount of his retired pay, as he may specify at the time of election, in amounts equal to one-half, one-quarter or one-eighth of the reduced amount of his retired pay.

(1) An annuity payable to or on behalf of his widow, the annuity to terminate upon her death or remarriage, whichever first occurs.

Widow.

(2) An annuity payable to or on behalf of his surviving child or children, the annuity to terminate when there ceases to be at least one such surviving child, unmarried and under eighteen years of age, except that if there is a child, unmarried and over eighteen years of age incapable of self-support because of being mentally defective or physically incapacitated and that condition existed prior to his reaching eighteen years of age, the annuity to terminate upon his marriage, death, or recovery from the disability, whichever first occurs. Each payment under such annuity shall be paid in equal shares to or on behalf of the surviving children remaining eligible at the time the payment is due.

Surviving child.

(3) An annuity payable to or on behalf of his widow and surviving children, the annuity to terminate upon: the death or remarriage of the widow; or, if later, the first day of the month in which there are no surviving children of the member who are under eighteen years of age and unmarried, except that if there is a child, unmarried and over eighteen years of age incapable of self-support because of being mentally defective or physically incapacitated and that condition existed prior to his reaching eighteen years of age, the annuity to terminate upon his marriage, death, or recovery from the disability, whichever first occurs. Such annuity shall be paid to the widow until death or remarriage, and thereafter each payment under such annuity shall be paid in equal shares to or on behalf of the surviving children remaining eligible at the time the payment is due.

Widow and surviving children.

(4) An annuity payable under the same terms and conditions as specified in (1), (2), or (3), of this subsection, with the additional provision that no further deductions shall be made from the retired pay of the member commencing with the first day of the month following that in which there was no beneficiary who would have been eligible to receive, upon the death of the member, an annuity payable under the election made by him.

(b) Where an active or retired member desires to provide more than one annuity, he may elect (1) and (2) of subsection (a) of this section, with or without the provisions of (4) thereof, but in no case may the combined amounts of the annuities exceed 50 per centum of the amount of his reduced retired pay.

More than one annuity.

(c) The reduction to be made in the retired pay of an active or retired member who has made an election under section 3 shall be computed by the uniformed service concerned in each individual case, as of the date of retirement in the case of an active member and as of the date of election in the case of a retired member, by an actuarial equivalent method using as a basis appropriate actuarial tables selected by the Board of Actuaries designated in section 8 and an interest rate of 3 per centum per annum or such other interest rate as the Secretary of the Treasury, after considering the average yield during the preceding six months on outstanding marketable long-term obligations of the United States, may specify by August 1 of any year as applicable for the succeeding calendar year. In the case of an active or retired member the computation shall be made at the time of retirement, or election, as appropriate, and the actuarial equivalent method and actuarial tables shall be those in effect at that time.

Computation.

(d) Any active member or former member on the temporary disability retired list who has elected, pursuant to section 3 of this Act,

Temporary disability retirement.

to receive reduced retired pay in order to provide one or more of the annuities specified in section 4 of this Act, and who is subsequently removed from the list due to any reason other than permanent retirement shall have refunded to him a sum which represents the difference between the amount by which his retired pay has been reduced in accordance with his election under section 3 of this Act and the cost of an amount of term insurance which is equal to the protection provided his dependents during the period he was on the temporary disability retired list.

Deposits during
non-pay period.

SEC. 5. A retired member of a uniformed service who has made the election specified in section 3 shall, during any period in which he is not receiving retired pay, deposit with the United States Treasury the amount which would have been withheld from his retired pay had he been receiving that pay.

Payments by de-
partments.

SEC. 6. Determination and certification of eligibility for, and payment of, annuities payable under this Act and any other payments or refunds authorized shall be made by the department concerned, except that payments for departments other than the military departments shall be made through the disbursing facilities of the Treasury Department.

Erroneous pay-
ment.
Recovery.

SEC. 7. (a) The head of the department concerned is empowered to use any means provided by law to recover amounts of annuities erroneously paid to any individual under this Act. The head of the department concerned may authorize such recovery by adjustments in subsequent payments to which the individual is entitled.

(b) There need be no recovery as provided in subsection (a) of this section when, in the judgment of the head of the department concerned, and the Comptroller General of the United States, the individual to whom the erroneous payment has been made is without fault and recovery would be contrary to the purpose of this Act or would be against equity and good conscience.

Administration
of Act.

Report.
Board of Actu-
aries.

SEC. 8. This Act shall be administered under regulations prescribed by the President, which regulations shall be uniform insofar as practicable for all of the uniformed services. The President shall report annually to the Congress upon the operation of this Act. For the purpose of advising in the administration of this Act, the President shall convene annually, or oftener if he deems necessary, a Board of Actuaries to be composed of the Government Actuary, the Chief Actuary of the Social Security Administration, and an actuary to be selected from the membership of the Society of Actuaries. The compensation of the actuary selected from the membership of the Society of Actuaries shall be fixed by the President. The tables to be used in computing deductions in retired or retirement pay to provide the annuities under this Act shall be those recommended by the Board of Actuaries.

Assignment, etc.

SEC. 9. No annuity payable under this Act shall be assignable, either in law or equity, or be subject to execution, levy or attachment, garnishment, or other legal process.

Accrual, etc.

SEC. 10. All annuities payable under this Act shall accrue from the first day of the month in which the retired member dies and shall be due and payable not later than the fifteenth day of each month following that month and in equal monthly installments thereafter, except that no annuity shall accrue or be paid for the month in which entitlement to that annuity terminates.

Additional pen-
sions.

SEC. 11. Annuities payable under this Act shall be in addition to any pensions or other payments to which the beneficiaries may now or hereafter be entitled under other provisions of law, and shall not be considered income under any law administered by the Veterans' Administration.

SEC. 12. The payments authorized to be made under this Act shall be made out of applicable current appropriations which are made available for that purpose.

Funds available.

SEC. 13. This Act shall take effect on the first day of the third month following the month in which it is enacted.

Effective date.

Approved August 8, 1953.

Public Law 240

CHAPTER 394

AN ACT

To amend the Internal Revenue Code and the Narcotic Drugs Import and Export Act so as to provide that certain drugs which are or may be chemically synthesized shall be included within the classification of narcotic drugs.

August 8, 1953
[H. R. 5561]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Narcotic drugs.

DEFINITION OF "NARCOTIC DRUGS"

SECTION 1. Section 3228 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

60 Stat. 38.
26 USC 3228.

"(g) NARCOTIC DRUGS.—The words 'narcotic drugs' as used in this part and subchapter A of chapter 23, shall mean any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

"(1) Opium, isonipecaine, coca leaves, and opiate;

"(2) Any compound, manufacture, salt, derivative, or preparation of opium, isonipecaine, coca leaves, or opiate;

"(3) Any substance (and any compound, manufacture, salt, derivative, or preparation thereof) which is chemically identical with any of the substances referred to in clauses (1) and (2)."

TECHNICAL AMENDMENTS

SEC. 2. Section 2550 (a) of the Internal Revenue Code (relating to tax on opium and coca leaves) is amended by striking out "opium, isonipecaine, coca leaves, opiate, any compound, salt, derivative, or preparation thereof," and by inserting in lieu thereof "narcotic drugs".

53 Stat. 269.
26 USC 2550.

SEC. 3. (a) Section 2558 (b) of the Internal Revenue Code is amended (1) by striking out "opium, coca leaves, isonipecaine, opiates, and all salts, derivatives, and preparations of opium, coca leaves, isonipecaine, and opiates," and by inserting in lieu thereof "narcotic drugs", and (2) by striking out "None of the aforesaid drugs" and inserting in lieu thereof "No narcotic drugs".

26 USC 2558.

(b) Sections 2564 (b), 3220 (g), and 3222 (c) (1) of the Internal Revenue Code are each amended by striking out "opium or coca leaves, their sales, derivatives, or preparations" and by inserting in lieu thereof "narcotic drugs".

26 USC 2564,
3220, 3222.

SEC. 4. Section 2565 of the Internal Revenue Code is amended by striking out all that follows "Subsection (d)."

26 USC 2565.

"NARCOTIC DRUGS.—

"SUBSECTION (g)."

SEC. 5. Section 3220 of the Internal Revenue Code (relating to tax on narcotics) is amended by striking out "opium, coca leaves, isonipecaine, or opiate, or any compound, manufacture, salt, derivative, or preparation thereof," and by inserting in lieu thereof "narcotic drugs".

26 USC 3220.